

ORDINANCE NO.98-7

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING INTEREST RATE SWAP AGREEMENTS AND HEDGE AGREEMENTS AND FINANCING FOR COSTS RELATING THERETO; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION OF THE ORDINANCE; AUTHORIZING USE OF THE EMERGENCY ENACTMENT PROCEDURE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Palm Beach County, Florida (the "County") issues its bonds and other obligations from time to time in order to provide funding for County projects; and

WHEREAS, under certain circumstances the use of Hedge Agreements and Interest Rate Swap Agreements may serve the best interests of the County by reducing interest costs to the County and enhancing the marketability of the County's bonds and the use of such agreements can assist the County in managing its debt and limiting its risk; and

WHEREAS, the use of Hedge Agreements and Interest Rate Swap Agreements are authorized by Chapter 159, Florida Statutes, and other provisions of law; and

WHEREAS, in order to take advantage of historically low interest rates and to avoid the risks of rapidly changing market conditions, particularly with respect to the County's Airport System Revenue Refunding Bonds, Series 1991 and 1992, the Board of County Commissioners of Palm Beach County finds that the need exists to adopt this ordinance as expeditiously as possible and that necessitates this Ordinance be adopted on an emergency basis pursuant to Section 125.66(3), Florida Statutes.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

1 Section 1. AUTHORITY FOR THIS ORDINANCE.

2 This Ordinance is adopted pursuant to the provisions of the
3 Constitution and laws of the State of Florida, including,
4 particularly, the Charter of Palm Beach County, Florida, Chapter
5 125, Chapter 159 and Chapter 166, Florida Statutes, and other
6 applicable provision of law.

7 Section 2. DEFINITIONS.

8 As used in this ordinance, the following terms shall have the
9 following meanings:

- 10 (1) "Hedge Agreement" shall mean, and includes, an interest
11 rate exchange agreement, an Interest Rate Swap Agreement,
12 forward purchase contract, put option contract, call
13 option contract or other financial product which is used
14 by the County as a hedging device with respect to or
15 incidental to its obligation to pay debt service on any
16 of the County's bonds, or related security or liquidity
17 arrangements, entered into between the County and a
18 Counterparty; provided that such Counterparty shall be an
19 entity whose long-term debt obligations, or whose payment
20 obligations under the Hedge Agreement are guaranteed by
21 an entity, whose senior long-term debt obligations are
22 rated (on the date the Hedge Agreement is entered into)
23 by Moody's Investors Services, Inc. ("Moody's") and
24 Standard & Poor's Rating Group ("S&P") or their
25 respective successors in a rating category not less than
26 the ratings of Moody's and S&P on the County's long-term
27 debt obligations to which the Hedge Agreement relates;
28 and further provided that such arrangement shall be
29 specifically designated in a certificate of the Director

1 of the Office of Financial Management and Budget of the
2 County as a "Hedge Agreement" for purposes of this
3 Ordinance; and provided further that at the time of
4 entering into such Hedge Agreement the execution of the
5 Hedge Agreement will not, in and of itself, result in a
6 withdrawal or reduction of any rating assigned to the
7 County's related bonds, by Moody's or S&P.

8 (2) "Interest Rate Swap Agreement" shall mean an agreement
9 between the County and a Counterparty under which the
10 County is obligated to make periodic payments on a
11 "notional amount" to the Counterparty at a fixed rate of
12 interest and the Counterparty is obligated to make
13 periodic payments to the County on such "notional amount"
14 at a variable rate of interest, or vice-versa, and under
15 which amounts so payable by the County and such
16 Counterparty on any date are netted against each other
17 with the party owing the larger amount making a net
18 payment to the other party.

19 Section 3. AUTHORIZATION FOR HEDGE AGREEMENTS AND INTEREST
20 RATE SWAP AGREEMENTS.

21 Hedge Agreements and Interest Rate Swap Agreements are hereby
22 authorized to be secured under the provisions of County Resolutions
23 setting forth the details of related bonds and security, and such
24 Hedge Agreements and Interest Rate Swap Agreements shall be entered
25 into pursuant to the authority of the Constitution and laws of the
26 State of Florida, including, but not limited to, the Charter of
27 Palm Beach County, Florida, this Ordinance, Chapter 125, Chapter
28 159 and Chapter 166, Florida Statutes, and other applicable
29 provisions of law.

1 Section 4. PURPOSES FOR WHICH BONDS, NOTES AND OTHER
2 OBLIGATIONS MAY BE ISSUED.

3 In addition to all other purposes for which the County is
4 authorized to issue bonds, notes and other obligations, the County
5 is hereby specifically authorized to issue bonds, notes and other
6 obligations to pay fees, including termination fees, relating to
7 Hedge Agreements or Interest Rate Swap Agreements, and for
8 refunding bonds, notes and other obligations.

9 Section 5. REPEAL OF LAWS IN CONFLICT.

10 All local laws and ordinances in conflict with any provisions
11 of this Ordinance are hereby repealed to the extent of such
12 conflict.

13 Section 6. SEVERABILITY.

14 If any section, paragraph, sentence, clause, phrase, or word
15 of this Ordinance is for any reason held by the Court to be
16 unconstitutional, inoperative, or void, such holding shall not
17 affect the remainder of this Ordinance.

18 Section 7. INCLUSION IN THE CODE OF LAWS AND ORDINANCES:

19 The provisions of this Ordinance shall become and be made a
20 part of the Code of Laws and Ordinances of Palm Beach County,
21 Florida. The sections of this Ordinance may be renumbered or
22 relettered to accomplish such, and the word "ordinance" may be
23 changed to "section", "article", or other appropriate word.

24 SECTION 8. EMERGENCY ORDINANCE; EFFECTIVE DATE.

25 This Ordinance is determined to be and is adopted as an
26 emergency ordinance in order to promote the best interests of the
27 County. This Ordinance shall take effect immediately upon its
28 passage in the manner provided by law.

1 APPROVED and ADOPTED by the Board of County Commissioners of
2 Palm Beach County, Florida, on this the 24th day of
3 February, 1998.

4 ATTEST:

5
6 Dorothy H. Wilken, Clerk

PALM BEACH COUNTY, FLORIDA,
BY ITS BOARD OF COUNTY
COMMISSIONERS

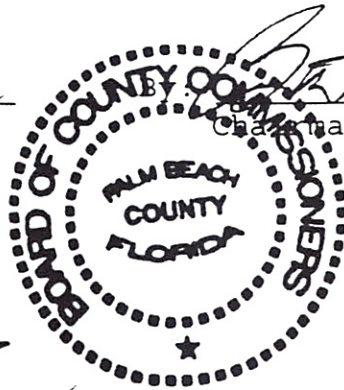
7 By: Carla Zapra

8 Deputy Clerk

9 APPROVED AS TO FORM AND
10 LEGAL SUFFICIENCY

11 BY: Paul F. L.

12 County Attorney



13 EFFECTIVE DATE: Pursuant to Section 125.66, Florida
14 Statutes, this emergency Ordinance is deemed filed with the
15 Department of State when a copy is accepted by the postal
16 authorities of the Government of the United States for special
17 delivery by certified mail to the Department of State on the 24th
18 day of February, 1998, at 4:00 P.M.

STATE OF FLORIDA, COUNTY OF PALM BEACH
I, DOROTHY H. WILKEN, ex-officio Clerk of the
Board of County Commissioners, certify this to be a
true and correct copy of the original filed in my office
on 2/24/98
DATED at West Palm Beach, FL on 2/27/98
DOROTHY H. WILKEN, Clerk
By: Angela H. House D.C.

County Library
Serials Dept

**ORDINANCE
ENCLOSED**

